



Mount Gibson Iron Limited

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VIA: WWW.ASXONLINE.COM

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The Manager
Company Announcements
ASX Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

Dear Sir

BOARD UPDATE

As announced on 2 May 2011, the Board of Mount Gibson Iron Limited (**Mount Gibson**) is undertaking a search for two new independent directors, with assistance from an internationally recognised search consultant.

Since that announcement, Mount Gibson has provided further Board updates on 20 May 2011 (announcing the appointment of Mr Geoffrey Hill to the Board) and 2 June 2011.

As at the date of this update, the search process is still ongoing but is likely to be completed within the next three months. It is expected that the Board will be in a position to consider the appointment of two additional independent directors as a result of the search process, as planned.

At present, the Board does not have a majority of directors who are independent of the major shareholders (APAC Resources Limited and Fushan International Enterprises Limited, a member of the Shougang Group).

The balance of independence on the Board will be reassessed following completion of the search process and the appointments following from it, and a further announcement will be made at that time.

In addition, Mr Ian Macliver has advised the Board that he intends to retire as soon as Mount Gibson is able to find a suitable replacement.

The Board has therefore resolved to request the search consultants to broaden the current search process to seek a third independent director, as a replacement for Mr Macliver. It is not likely that this additional search will be completed within the time horizon envisaged for the original two appointments. However, it is hoped that a suitable candidate can be identified in time to be presented for election at the annual general meeting this year.

Yours sincerely

MOUNT GIBSON IRON LIMITED

David Berg
Company Secretary

For further information:

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